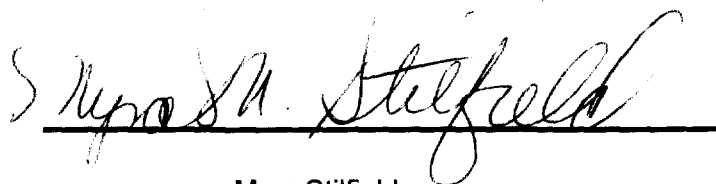


landlords of the buildings we serve.

5. Attachment 1 is a listing prepared under my supervision based on a poll of MFS's Regional Directors that illustrates the difficulties that MFS has in dealing with landlords and building owners. Attachment 1 illustrates several instances where MFS has been unable to obtain building access to provide service to its customers, where access has been (or is being) delayed or denied, or where building access terms are unreasonable. Please be advised that these examples do not comprise our total list of "problem buildings". Due to the press of daily business, I requested a sampling only of difficult buildings from my Regional Directors. Historically, we have consistently experienced these types of scenarios in 90% of the multi-tenant properties we seek to access in North America.
6. The common difficulties that MFS has in negotiations with landlords and building owners fall into five categories:
 1. Obtaining access often requires negotiations with landlords and building owners that span many months and often years. As shown in Attachment 1, it is not unusual to have access negotiations stalled for more than 6 months. Obviously, MFS cannot compete effectively if it takes more than 6 months obtain access to each of the buildings where its tenants are located.
 2. Building-by-building negotiations are the rule. MFS must negotiate a separate access agreement with every building manager and owner it deals with whereas the incumbent provider is already providing service to all the buildings in its service territory. Having access to one building, even adjoining buildings, does not guarantee access to other buildings on similar terms and conditions.
 3. Landlords and building owners often refuse to allow access to a building until tenants request service. Tenants often do not request service because MFS

does not have facilities in their building to provide service. Thus, MFS is caught in an impossible situation where it must have tenant requests to obtain access, but cannot obtain tenant requests until it has access.

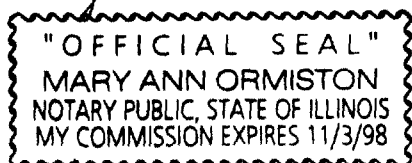
4. Landlords view access by competitive service providers as a source of revenues. High rents or insistence on a share of telecommunications revenues are common demands. Often landlords cannot decide what rent to charge, and fail to consummate a lease agreement delaying building entry.
5. Smaller, local landlords are often more willing to enter into reasonable agreements with competitive local telephone companies than are larger, national property management companies.
7. Based on my review of materials circulated to its members, the Building Owners and Managers Association ("BOMA") has generally advised members to use entry by competitive telephone companies as a revenue opportunity. This has inflated the building access charges demanded by landlords, building managers and owners who are BOMA members and greatly extended negotiation periods.



Myra Stilfield
National Director, Real Estate
MFS Communications, Inc.

Subscribed and sworn to before me
this 16th day of April, 1996

Mary Ann Ormiston



My commission expires 11/3/98

**ATTACHMENT 1
TO AFFIDAVIT OF MYRA STILFIELD**

**BUILDING ACCESS PROBLEMS
EXPERIENCED BY MFS**

LOCATION OF BUILDING	PROBLEM
St. Louis, MO	No access. MFS was in lease negotiations and an entrance site was selected when the building manager stopped the negotiations. Manager indicated that they were unsure about how many providers there would be, how the Telecommunications legislation would affect them, and how much rent they should receive. Reached verbal agreement to begin negotiations once a tenant requests service.
St. Louis, MO	No access. Building owner stopped building entry after a lease had been negotiated and working drawings were prepared and submitted for final approval. Even though local manager was supportive and MFS had customer support, owner denied entry. Customer has since left building.
St. Louis, MO	No access. Landlord is a national property manager. In spite of numerous requests made to landlord, MFS has been unable to obtain an easement to extend wiring from an adjacent building into building controlled by the landlord.
St. Louis, MO	No access. Landlord insists on a percentage of telecommunications revenues as rent for space and wishes to use one service provider nationwide.
St. Louis, MO	No access. Building manager only wants the incumbent telephone company in building.
St. Louis, MO	Extremely long, expensive access process. Management company hired a telecommunications expert and rental negotiations took an extremely long time.
Chicago, IL	Expensive access fees. Building manager asked for \$60,000 per year for two building points of presence and refused to allow MFS to pull cable to customers until it paid the rent.
Chicago, IL	Expensive, delayed access. <u>It took three years of negotiation</u> for MFS to obtain access to this building. Landlord requested access fees of approximately \$50,000 a year plus monthly rental fees.
Cleveland, OH	High access fees, delayed access. Property manager has refused to allow access even though anchor tenant has repeatedly asked for service from MFS. Property manager wants a percentage of telecommunications revenues.
Boston	Expensive access fees. Building manager wants percentage of telecommunications revenues and has agreed to very expensive square foot rental charge on renewal.
Detroit, MI	High access fees, delayed access. Building manager charges rent based on the height of the building. Ultimately signed a lease <u>after 16 months of negotiations</u> .
Various	No access. National property owner/landlord has denied access to its buildings for the past 14 months because they are afraid that if they let in one competitive access provider they will have to let in all such providers.

LOCATION OF BUILDING	PROBLEM
Cleveland, OH	No access. <u>For the past year</u> , landlord has denied access to MFS to all their buildings even though several tenants have written requesting MFS service. Landlord insists on a percentage of telecommunications revenues.
Chicago, IL	No access. Even though 50 tenants have requested MFS service, building manager has <u>refused to all building access for the last 15 months</u> . Does not return MFS phone calls.
Detroit, MI	No access. Property manager has denied MFS access to eight buildings for almost two years claiming that they are too busy. MFS has customer orders and has agreed to pay rent for two years in advance, but has yet to receive a response from property manager.
St. Louis, MO San Diego, CA	No access. Building owner has <u>denied access to several buildings for past 16 months</u> even though several tenants have written them asking for MFS service.
Detroit, MI	No access. Property manager has <u>denied access to buildings for the past 24 months</u> unless MFS agrees to rent 5,000 square feet and pay a percentage of revenues as rent.
Buffalo, NY	Expensive access fees. MFS's lease expired in December 1995 and building owner said he wanted MFS out of the building unless MFS paid him a lump sum for every customer in the building.
Detroit, MI	No access. For the <u>last 14 months</u> , landlord has denied MFS access to the building saying that it already has one competitive access provider and does not want another. MFS has customers in the building who want its service. In negotiations, landlord is asking for a per circuit fee.
Houston, TX	Extremely expensive access. Property manager asking for a rent based on building height (64 stories) and seeking an increase which is more than double current rent paid by MFS.
Houston, TX	Delayed access. Started access <u>negotiations in summer of 1995</u> . National landlord unable to quote rates or make decision about its national policy on building access.
Denver, CO	No access. Building owner unhappy with construction work and has vowed to deny access to the building.
Seattle, WA	Expensive, delayed access. After presentation by telecommunications consultant, building manager demanded \$1,000-\$2,000 for riser access, \$400-\$1,000 for a point of presence, and other extras. Currently working with STS provider for alternative access to building. MFS has been working on obtaining access <u>since October 1994</u> .
Seattle, WA	Expensive, delayed access. Building manager wants \$1,000 access fee, \$500 for a point of presence, plus other fees. MFS has been working on obtaining access for <u>more than 8 months</u> .
Portland, OR	No access. MFS has been denied entry into the building and has been working on obtaining access <u>since October 1995</u> .
Portland, OR	Expensive, delayed access. Building manager insisting on high access fees. MFS has been working on obtaining access <u>since October 1995</u> .
Various locations San Francisco	Extremely long negotiation process. MFS has been trying to finish renewal negotiations in 8 buildings and gain access to buildings in San Francisco, Phoenix and Minneapolis. <u>Negotiations have spanned 15 months</u> .
Various locations Los Angeles, CA	No access. MFS was unable to obtain access in 6 buildings owned by national firm. MFS has been working on obtaining access to a building in Irvine, California for <u>15 months</u> .

LOCATION OF BUILDING	PROBLEM
San Diego, CA	High access fees. Building manager and BOMA official wants \$2,000 in access fees.
San Diego, CA	Extremely long negotiation process. It has taken <u>12 months to negotiate</u> access to the buildings managed by BOMA official.
Various locations Phoenix, AZ	High access fees. Landlords are demanding high access fees, such as \$1,000+ per month or \$5,000 in access fees plus rent on space.
Various locations Richmond, VA	High access fees. As a prerequisite for entry, property manager demanding deposit or escrow account to recoup any damages to landscaping and irrigation.
Atlanta, GA	No Access. Tenant requested MFS service because MFS service was less expensive than comparable service provided by incumbent local exchange carrier. Landlord has refused to allow building entry by MFS.
Atlanta, GA	High access fees. Property manager demanding more than \$750 for access fees.
Los Angeles, CA	Extremely long negotiation process. MFS has been trying to obtain building <u>access for 10-12 months.</u>